

NAHMAanalysis

NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

Ensuring NAHMA Members Receive the Latest News and Analysis of Breaking Issues in Affordable Housing

National Affordable Housing Management Association – 400 N. Columbus Street, Suite 203 - Alexandria, VA 22314
Phone 703-683-8630 - Fax 703-683-8634 - www.nahma.org



October 10, 2014

NAHMAanalysis 2014-1010

Summary of Policy Proposals from NAHMA's Alternative Futures Working Group

Background

On March 13, 2012, NAHMA officially launched its Alternative Futures Working Group (AFWG) in an effort to organize and advocate for multifamily housing policy ideas which could result in program efficiencies, cost savings, and greater assurances that the proper benefits are directed to qualified households.

The initial premise of the AFWG discussions was substantial budget cuts would take effect in 2013, and affordable housing programs would be affected. Members were concerned that this mandatory sequestration (i.e. across-the-board spending cuts) required by the Budget Control Act would be imposed haphazardly through cuts to management fees, reductions in families served, or other unwise means. NAHMA decided it would seek proactive initiatives to get ahead of the cuts.

The efforts of the AFWG produced five preliminary policy proposals which are estimated to result in savings for the federal government. These proposals were presented to the Obama Administration's Rental Policy Working Group. They were also shared with the House Financial Services Committee, Senate Banking Committee and both Appropriations Committees. These five preliminary proposals include:

- Eliminate Costs Unique to Affordable Housing
- Perform Income Certifications Once for All Programs
- Use Federal Tax Returns for Rent Calculations
- Track, Enforce and Prevent Repeat Payment Agreements
- Implement Risk-Based Scheduling of Management and Occupancy Reviews (MORs)

With the specific cost savings now analyzed and in the hands of policy makers, the AFWG has fulfilled its mission. A detailed status report on the more than 60 proposed alternative futures can be found in the matrix on the following pages. Any outstanding items that the AFWG did not address, and that the NAHMA Board has not taken a position on, will be referred to the appropriate NAHMA public policy committee. Committee Chairs may take up the issues under our normal public policy approval procedures.

The following matrix sorts the policy recommendations by their assigned priority for budget scoring. It also details the policy considerations, official NAHMA position (if any), the notable actions taken, and the next steps for each recommendation. For more information, please visit the Alternative Futures webpage.

Assigned Priority for Budget Scoring:
Category 1 Immediate

Proposals to reduce improper payments and/or fraud

Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
<p>EIV enhancements for :</p> <ul style="list-style-type: none"> *Tracking repayment agreements *Quantifying fraud savings *More aggressive prosecution of fraud offenders *HUD should support O/As by enforcing repayment agreements 	<p>TRACS 202(d) will collect information on repayment agreements.</p> <p>HUD should issue clear guidance on the dollar threshold of possible fraud that will prompt an automatic referral to the HUD IG.</p> <p>Fraud is difficult to prove.</p> <p>The initial proposal would have allowed owners to deny rental assistance to tenants with a delinquent repayment agreement (i.e., they skipped out on a lease with an outstanding repayment amount due) & limited repayment agreements to one per tenant .</p>	<p>NAHMA supports HUD's current plans to begin tracking repayment agreements in TRACS Version 202(d).</p> <p>This is a subset of the policy "Eliminate Costs Unique to Affordable Housing."</p>	<p>Recap Real Estate Advisors Budget Estimate: "Policy to Track, Enforce and Prevent Repeat Repayment Agreements"</p> <p>NAHMA Board consideration 3/25/13</p> <p>NAHMA's "A Business Case for Tracking, Enforcing and Preventing Repayment Agreements" is in "Making the Case for Sensible Program Efficiencies that Generate Cost Savings in Federal Multifamily Housing Programs "</p> <p>Discussed with the Interagency Rental Policy Working Group (RPWG) 10/29/13</p>	<p>Proposed by AFWG:</p> <ul style="list-style-type: none"> *Oppose forcing a new O/A to collect on a previous O/A's repayment agreement (as a possible result of repayment agreement info in TRACS 202(d)). *Discuss with HUD the possibility of a regulation which would prohibit assistance to tenants with multiple repayment agreements. <p>This alternative future will be referred to NAHMA's TRACS/CA Committee to determine next steps.</p>

Assigned Priority for Budget Scoring:
Category 1 Immediate

Limitations on Tenants' Benefits

Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
<p>Eliminate Utility Allowance (UA)</p> <p>End negative rent</p>	<p>This proposal would eliminate all or a part of the UA. Four different scenarios were considered in Recap's budget estimate.</p> <p>AFWG was concerned that eliminating the UA would place a severe hardship on working families. Negative rent is often a function of whether a unit has owner-paid or tenant-paid utilities. Since the statutory cap on the rent contribution includes utilities, the AFWG felt the discussion about eliminating negative rent for tenants who receive the UA could become very complicated.</p>	<p>NAHMA Board concurred with AFWG's recommendation to take no further action on these proposals.</p>	<p>Recap Real Estate Advisors Cost Estimate, "Policy To Eliminate Utility Allowances And The Payment Of Negative Rent"</p> <p>Consideration by NAHMA Board 3/25/13</p>	<p>None. NAHMA's Board has disposed of this issue.</p>
<p>Establish Flat Rents Within Income Tiers</p>	<p>This proposal sought to simplify the rent scheme by establishing bands of income & a flat rent structure for</p>	<p>NAHMA's Board concurred with the AFWG recommendation to take "no further action on the proposal to establish a new system of flat rents set in</p>	<p>Recap Real Estate Advisors Cost Estimate, "Policy To Establish Flat Rents Within Income Tiers."</p> <p>NAHMA Board</p>	<p>Consider proposals to reduce /eliminate interim recertifications. See "Reducing or Eliminating Interim Certifications" Alternative Future.</p>

	<p>residents within each band. The proposal would also either eliminate interim rent certifications so that if income goes up or down during the year, it would not change the tenant’s rent or greatly reduce the number of interims (recertification would only be necessary if it appears the resident has changed income tiers). Nine different scenarios were considered.</p>	<p>various income tiers, but further examine the idea of eliminating interim recertifications.”</p> <p>The enormous spread between costs & savings was a function of where the flat rent was set within each income tier. The AFWG felt there was too much variability in the budget estimates & in the tenants’ rent contributions to request the members’ support for this proposal.</p> <p>However, the working group was intrigued by Recap’s estimate of \$47 million in savings to the federal government over 10 years from eliminating interim recertifications.</p>	<p>consideration 3/25/13.</p>	
<p>Reducing or Eliminating Interim Certifications</p>	<p>The NAHMA Board opted for consideration of proposals to eliminate or reduce interim certifications in lieu of the proposal to establish flat rents within income tiers. Five different scenarios were examined.</p>	<p>N/A</p>	<p>Recap Real Estate Advisors Cost Estimates:</p> <p>”Eliminate Income-Driven Interims for Mid-Year Increases in Income”</p> <p>Eliminate Interim Recertifications for Various Thresholds in Mid-Year</p>	<p>Referral to NAHMA Federal Government Affairs Committee to determine next steps.</p>

			Increases of Household Income: <ul style="list-style-type: none"> • Increases < \$700 & Decreases <\$300 •Increases < \$500 & Decreases < \$200 •Increases< \$400 & Decreases < \$100 •Increases < \$200 & Decreases < \$50 	
Assigned Priority for Budget Scoring: Category 1 Immediate		Owner Offerings		
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
No longer file vacancy claims	A small subset of owners has significant vacancy related losses that are mitigated through vacancy claims; 2% of the owners would bear 30% of the cost of eliminating these claims.	NAHMA does not support elimination of vacancy claims. Properties struggling with high vacancy losses would suffer greater financial hardship without the ability to file vacancy claims.	Recap Real Estate Advisors Budget Estimate, " Policy To Eliminate The Filing Of Vacancy Claims " Consideration by NAHMA Board 3/25/13	None. NAHMA's Board has disposed of this issue.
Partner with resident groups to be one large voice on housing issues	This is a guiding principle rather than a proposal which requires a budget estimate.	NAHMA supports partnering with resident groups on issues of mutual agreement.	NAHMA currently participates in coalition efforts with the Campaign for Housing and Community Development	NAHMA will continue to participate in coalition efforts in support of affordable housing funding and issues where there is mutual agreement.

			Funding	
Assigned Priority for Budget Scoring: Category 1 Immediate		Change Administrative Requirements		
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
Income certifications done once for all programs	<p>This proposal would preempt state authority with respect to income certification procedures & impose a uniform federal standard for income certification procedures, or delegate administration of all income certification procedures to the states for properties subject to the low-income housing tax credit regulatory scheme.</p> <p>Technology could offer a solution.</p>	<p>NAHMA supports the proposal to perform income certifications once for all programs. NAHMA will continue discussions about how to bring state housing finance agencies and Treasury/IRS on board with this idea.</p>	<p>Recap Real Estate Advisors Cost Estimate, "Policy To Perform Income Certifications Once For All Programs"</p> <p>NAHMA Board Consideration 3/25/13</p> <p>NAHMA's "A Business Case for Performing Income Certifications Once for All Federal Programs" is in "Making the Case for Sensible Program Efficiencies that Generate Cost Savings in Federal Multifamily Housing Programs"</p> <p>Discussion with RPWG 10/29/13</p> <p>Staff report on possible ACA income verification procedures emailed 8/18/14.</p>	<p>Research the Affordable Care Act (ACA) income certification procedures. Data & processes used to certify incomes under ACA may provide a new model for standardizing Tenant Income Certification forms across federal programs. (Completed 8/18/14, staff advised endorsement was premature.)</p> <p>Other electronic alternatives, such as the XML LIHTC Data Standard provide an existing model on the LIHTC compliance side. This standard was recently expanded to facilitate its use for state agencies' LIHTC demographic information reporting to HUD (which is required under HERA).</p> <p>Referral to NAHMA's Federal Government Affairs Committee to determine next steps.</p>

<p>Income averaging for low income units (60% AMI average)</p>	<p>In previous budgets, Treasury proposed income averaging for LIHTC units (60% AMI) to create mixed income communities. The proposal would extend the income averaging concept to other federal programs.</p>	<p>NAHMA continues to support Treasury's income averaging proposal, but has not taken a formal position on extending the income averaging concept to other rental assistance programs.</p>	<p>N/A</p>	<p>Referral to NAHMA's Federal Government Affairs Committee.</p>
<p>Use Federal tax returns for rent calculations</p>	<p>Not all tenants file returns.</p> <p>The definition of "income" would have to be changed across federal rental assistance programs to allow for "looking back" at income rather than projecting forward.</p>	<p>NAHMA supports policy changes which will allow O/As to use residents' tax returns for income verification, or alternatively, have the federal government incorporate the tax return data into EIV.</p>	<p>Recap Real Estate Advisors budget estimate, "Policy To Use Federal Tax Returns For Rent Calculations."</p> <p>NAHMA Board consideration 3/25/13</p> <p>NAHMA's "A Business Case for Using Federal Tax Returns for Rent Calculations" is in "Making the Case for Sensible Program Efficiencies that Generate Cost Savings in Federal Multifamily Housing Programs."</p> <p>Discussion with RPWG 10/29/13</p> <p>Staff report on possible ACA income verification procedures emailed</p>	<p>Address Treasury's strong opposition to our current proposal (due to statutory restrictions on release of tax forms & taxpayer privacy laws).</p> <p>Variations of the current policy, such as allowing tenants to bring their own tax returns or have Treasury just disclose the final income from the tax return in EIV, would require changing the definition of income across HUD, RD and LIHTC programs in order to "look back" at income rather than "project forward."</p> <p>Research whether the Affordable Care Act income verification processes and procedures could be adapted to affordable housing—so the O/A could immediately tell the applicants if they're income qualified & what</p>

			8/18/14.	<p>their rent contribution would be. (Completed 8/18/14, staff advised endorsement was premature.)</p> <p>Referral to NAHMA's Federal Government Affairs Committee to determine next steps.</p>
<p>Identify compliance requirements and associated costs that are unique to affordable housing and NOT done in conventional properties</p>	<p>This proposal would eliminate federal compliance requirements in favor of deference to other levels of government & also simplify regulatory compliance procedures. The proposal does not assume elimination of all unique costs. It estimates the impact of reducing the regulatory burden by 10% & by 40%.</p>	<p>NAHMA supports eliminating unnecessary, duplicative and obsolete regulatory requirements which drive up operating costs of affordable properties. NAHMA will use the estimated savings [from reduction of regulatory costs] as talking points to discuss other things that could be cut instead of rents or tenant services.</p> <p>This policy is broad, and several approved alternative futures (such as risk-based MORs) are examples of costs unique to affordable housing.</p>	<p>Recap Real Estate Advisors cost estimate, "Eliminate Costs Unique to Affordable Housing."</p> <p>NAHMA Board consideration 3/25/13.</p> <p>NAHMA's "A Business Case for Eliminating Costs Unique to Affordable Housing" is in "Making the Case for Sensible Program Efficiencies that Generate Cost Savings in Federal Multifamily Housing Programs."</p> <p>Discussion with RPWG 10/29/13.</p>	<p>Comment on HUD's proposed rule to implement risk-based scheduling of MORs when it is released.</p> <p>Support expansion of the physical inspection pilot program for mixed-financed properties (1 inspection at least once every 3 years which satisfies all federal program requirements).</p> <p>Referral to NAHMA's Regulatory Affairs Committee to determine next steps.</p>
<p>Risk-Based Management and Occupancy Reviews (MORs)</p>	<p>This proposal would apply to all MORs the same risk-based MOR schedule proposed in the</p>	<p>This policy is a subset of the Identify compliance requirements and associated costs that are</p>	<p>Recap Real Estate Advisors cost estimate, "Eliminate Costs Unique to Affordable Housing."</p>	<p>Comment on HUD's proposed rule to implement risk-based scheduling of MORs when it is released.</p>

	<p>Performance -Based Annual Contributions Contract (ACC) for the 2012 PBCA NOFA. Projects rated above average or superior on their last MOR would have their next MOR in 3 years. Projects which received a rating of satisfactory would have their next MORs in 2 years. Projects rated below average or unsatisfactory would continue to have annual reviews.</p>	<p>unique to affordable housing proposal NAHMA strongly believes that a risk-based MOR schedule would reward high performing O/As, incentivize strong management performance and allow HUD to focus increasingly limited resources where they are most needed.</p>	<p>NAHMA Board consideration 3/25/13.</p> <p>NAHMA’s “A Business Case Study for Implementing Risk-Based Scheduling of Management and Occupancy Reviews (MORs)”</p> <p>Discussion with the RPWG 10/29/13.</p>	<p>Referral to NAHMA’s Regulatory Affairs Committee to determine next steps.</p>
--	--	--	--	--

<p>Assigned Priority for Budget Scoring: Category 1 Immediate</p>	<p>Preservation Issues</p>
--	-----------------------------------

Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
<p>Flexibility to transfer subsidies to other properties</p>	<p>This proposal would include measures to induce the owners of physically distressed properties to transfer the assisted housing operating subsidy to newly constructed or acquired sites. Two different scenarios were considered, reflecting different policy</p>	<p>AFWG Recommendations: No further action is recommended on this policy.</p> <p>HUD has existing authority to transfer subsidies among properties, but does not use it often. The AFWG reasoned that this</p>	<p>Recap Real Estate Advisors Budget Estimate, “Policy To Promote Transfer Of Subsidies Among Properties.”</p> <p>NAHMA Board consideration 3/25/13.</p>	<p>None. While NAHMA supports agencies’ existing ability to transfer subsidies when appropriate on a case-by-case basis, this policy will not be advocated as a savings.</p>

	assumptions regarding whether tenant protection vouchers would be needed.	budget environment is not the proper one to aggressively advocate policies with known costs. Nevertheless, NAHMA hopes HUD will use its existing authority to transfer subsidies on a case-by-case basis when a transfer is appropriate.		
<p>Streamline financing process across multiple funding sources</p> <p>*Expensive costs to financing – heavier debt requirements</p> <p>*Mortgage PMI increasing premiums</p> <p>*Higher reserves required due to uncertainty of subsidy programs</p> <p>*Use of residual receipts</p>	Costs to develop and manage affordable housing would likely decrease if regulators streamlined the financing process across funding sources.	NAHMA generally supports the concept of streamlining and simplifying the financing of affordable rental housing	<p>NAHMA did not have budget estimates produced for this item due to prohibitive costs.</p> <p>Also it's dependent on federal agencies and state HFAs moving forward on regulatory restructurings begun under the Obama Administration's Rental Policy Working Group.</p> <p>As the RPWG pilots have rolled out to-date, the agencies have projected the cost savings themselves.</p>	Referral to NAHMA's Regulatory Affairs Committee to determine next steps.
Energy efficiency / generation	This is a very important priority, but the agencies must allow owners to share in the savings generated by investments	N/A	NAHMA did not have a cost estimate produced. Energy efficiency legislation / regulation is likely to advance on its own & to be	Referral to NAHMA's Federal Regulatory Affairs Committee to determine next steps.

	in energy efficient improvements.		scored by Congress or the relevant agencies.	
Assigned Priority for Budget Scoring: Category 1 Immediate		Housing Alternatives		
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
Workforce Housing as a “defined program” to incentivize	<p>Members would define “workforce housing” as affordable to the average person who earns a living wage (such as entry level staff for local businesses). Local businesses & local governments should have financial involvement in these properties. There should be some regulation, but also considerable flexibility.</p> <p>LIHTC could be a useful model for workforce housing. One member also suggested that affordable housing providers should begin talking about their own properties as workforce housing.</p> <p>The question is, can we show that workforce housing benefits the</p>	N/A	NAHMA did not have a budget estimate produced for this item. It’s possible no cost savings may be realized by this public policy initiative. If such legislation advances on its own, it would be scored by Congress or the relevant agencies.	Referred to new Strategic Advocacy Goals Task Force to determine what NAHMA can offer the workforce housing sector as customers.

	community & generates budgetary savings?			
Streamline the Housing Choice Voucher Program	Various versions of Section 8 voucher reform legislation have been introduced over several Congresses.	NAHMA has supported various Section 8 reform bills. The most recent version, the Affordable Housing and Self-Sufficiency Improvement Act (AHSSIA), was developed by the House Financial Services Committee in 2012.	NAHMA did not produce a budget estimate. This legislation has already been scored by Congress.	Referred to NAHMA's Federal Government Affairs Committee.
<p>What might alternatives be for constructing and financing affordable rental housing if:</p> <p>a. The LIHTC is eliminated or reduced as part of tax reform?</p> <p>b. Project-based Section 8 resumes "short-funding" HAP contracts?</p> <p>c. Section 515 program is zeroed out?</p>	<p>a. A Treasury Department report estimates the LIHTC will cost about \$88 billion over the 10-year period from 2015-2024. Rep. Dave Camp proposed major changes in his draft Tax Reform Act of 2014.</p> <p>b. See FY 13, FY 14 & FY 15 HUD budget requests</p> <p>c. See FY 13 USDA budget request</p>	<p>See NAHMA's grassroots advocacy webpage for public testimony and industry letters.</p>	<p>NAHMA did not produce budget estimates for these alternative futures. In the first round of estimates, NAHMA did not believe tax reform would occur concurrently with sequestration, and scoring alternatives for constructing and financing affordable housing in the future was a longer-term consideration.</p> <p>More recently, these proposals have been proposed by federal agencies or members of Congress. Cost estimates for these proposals have</p>	<p>These questions will be referred to the appropriate NAHMA policy committees for further consideration:</p> <p>a. Joint Referral to NAHMA's Tax Credit & Federal Government Affairs Committee Committees.</p> <p>b. Referral to NAHMA's Federal Government Affairs Committee.</p> <p>c. Joint Referral to NAHMA's Rural Housing and Federal Government Affairs Committees.</p>

			been produced by the agencies or congressional entities.	
What would the ideal affordable housing program be?	If you had the chance to design the ideal affordable housing program, what would the program entail, how would it function? Who would it serve?	Policies we promote should move us toward an “ideal” program. Rather than propose a specific framework for a new program, we should use this concept as a guiding principle to determine whether the policies we advocate lead us to our preferred future.	NAHMA did not produce a budget estimate for this alternative future.	This policy is a guiding principle for the NAHMA public policy committees: <ul style="list-style-type: none"> • Regulatory Affairs • Federal Government Affairs • Tax Credit • Senior Housing • Rural Housing • TRACS/CA • Fair Housing
Assigned Priority for Budget Scoring: Category 2 Intermediate	Limitations on Tenants’ Benefits			
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
Repeal the Brooke Amendment except for seniors & disabled	Brooke limits tenant rent contributions to 30% of income. It has loyal defenders in Congress & low-income advocates.	N/A	N/A	Referral to NAHMA’s Federal Government Affairs Committee.
Incremental increases in tenants’ rent contributions such as 35%, 40%, 40%	The Congressional Budget Office (CBO) listed increasing public housing, HCV and assisted housing residents’ rent contributions from 30% to 35% over 5 years in its report to Congress, “Options for Reducing the Deficit: 2014 to 2023.”	N/A	CBO Budget estimate, Option to Increase Payments by Tenants in Federally Assisted Housing from 30% to 35% of income over five years. Congress did not include these provisions in the FY 14 Omnibus Appropriations	AFWG Proposed: *Get more information from HUD before making any policy recommendation to Executive Members: *Will HUD propose this option to Congress? Does HUD actively support it?

			bill.	<p>*What's in it for us if NAHMA were to support this? Is there any guarantee the revenue raised would be used to provide full funding of project-based Section 8 contracts, or would it be diverted for other purposes?</p> <p>Referral to NAHMA's Federal Government Affairs Committee.</p>
Redefine exclusions from income reporting	Which exclusions might be eliminated/reduced? Resulting impact on tenants?	N/A	N/A	Referral to NAHMA's Federal Government Affairs Committee.
End the cycle of generational dependence by moving people through the system	<p>Self-sufficiency is a worthy goal, but how would we get there?</p> <p>Many residents have fixed incomes or don't earn enough to pay the rent without subsidies.</p>	N/A	N/A	Referral to NAHMA Federal Government Affairs Committee.
Work for housing requirements (some level)	Who monitors the residents' compliance? Unfunded mandate? Experience with work requirements in public housing?	N/A	N/A	<p>Gather more info on members' experiences with work requirements in public housing. If proposed for assisted housing, how would they be applied and would we want them?</p> <p>Preliminary feedback from AFWG members with public housing experience is the key to</p>

				implementing those work requirements is a supportive services component. Referral to NAHMA's Federal Government Affairs Committee.
Time limits for families	Will O/As be forced to evict? Will judges allow eviction? If not, do tenants live rent-free? Who keeps track if the tenant moves?	N/A	N/A	Referral to NAHMA's Federal Government Affairs Committee.
Redefine senior housing	Seniors are living longer, aging in place & many live independently. Baby Boomers will need affordable housing. Section 202 capital advances are falling victim to budget cuts. HUD is moving forward with new operating assistance only contracts to fund supportive housing units for the elderly aligned with State healthcare priorities.	N/A	NAHMA participated in a stakeholder event about HUD's initial operational assistance proposal on 4/25/12 & submitted comments to HUD on 5/31/12. Section 241 of the FY 14 Omnibus Appropriations bill [PL 113-76] authorized assistance to projects with "a defined health and other supportive services program."	Referral to NAHMA's Senior Housing Committee.

Assigned Priority for Budget Scoring: Category 2 Intermediate		Owner Offerings		
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
No longer file damage claims	HUD permits O/As to treat beg bug infestations caused by noncompliant tenants as damages	N/A	N/A	Referral to NAHMA's Regulatory Affairs Committee.
Increase insurance deductibles	What is the impact on the property?	N/A	N/A	Referral to NAHMA's Regulatory Affairs Committee.
Assigned Priority for Budget Scoring: Category 2 Intermediate		Change Administrative Requirements		
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
Coordination of computer systems and reporting	A goal that may be difficult to achieve due to tight appropriations and interagency turf fights. Good topic for RPWG discussions.	N/A	N/A	Referral to NAHMA's TRACS/CA Committee.
Reduce Reporting *Audits vs. review- or self certification *Redefine small properties *Raise dollar limits on testing for audits	Financial reporting is one of the issues under consideration by the RPWG. To date, the goal of achieving streamlined, simplified and risk based audits has been a guiding	No specific alternative future proposal for reduced reporting at this time. In NAHMA's Comments on the RPWG Alignment Reports (8/26/11), we strongly "urge[d] the	Notice H 2013-16, "Exemption of Annual Financial Statement Submission for HUD-Assisted Properties with Section 515 Rural Rental Housing Mortgage Financing," (5/23/13) HUD & USDA agreed	Referral to NAHMA's Regulatory Affairs Committee.

	principle.	RPWG to continue exploring ways to achieve necessary financial oversight—particularly for small properties—in the most practical and cost efficient ways. “ NAHMA welcomed Notice H 2013-16.	current owners & future purchasers of 515/8s properties will be required to submit annual financial statements only to USDA. OMB’s Final Rule, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” (12/26/13) raises the Single Audit threshold for state & local governments and non-profit organizations from \$500,000 in Federal awards per year to \$750,000 in Federal awards per year.	
Streamline Rent Comparability Studies--Instead of HUD and the owner conducting two RCSs for contract renewals: *Agree to one or ; *Both HUD and Owner agree on who will conduct the review.	Members were concerned about the potential for unintended consequences if HUD insists on its study. Need more input from appraisers.	N/A	N/A	Referral to NAHMA’s Regulatory Affairs Committee.
Streamline compliance requirements across federal programs	Physical inspections, income certs & audit requirements were members’ top choices for	The goal of regulatory streamlining is a guiding principle for NAHMA’s advocacy.	The physical inspection pilot program for mixed financed properties, crafted through the RPWG	Referral to NAHMA’s Regulatory Affairs Committee.

	streamlining. The inter-agency Rental Policy Working Group (RPWG) focuses on administrative changes to harmonize federal rental program requirements. NAHMA has shared our approved alternative futures with the RRWG agency reps & we continue discussions.		has spread to more than 25 states. A RPWG subsidy layering review pilot is also up and running. HUD and RHS have an agreement on 515/8 annual financial statement submissions.	
Assigned Priority for Budget Scoring: Category 2 Intermediate		Tenant – Landlord Laws		
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
Enforcement of Regulations *Penalties established –Two strike rule	Members agreed that enforcing rules is important, but they are not sure how the two strike rule would affect properties in terms of turn-over costs, etc.	N/A	N/A	Referral to NAHMA’s Regulatory Affairs Committee.
Enforcement of Regulations *Enforce over-housing rules	The AFWG also cautioned that Section 504 laws often cause over-housing due to reasonable accommodations.	N/A	N/A	Referral to NAHMA’s Regulatory Affairs Committee.

Assigned Priority for Budget Scoring: Category 2 Intermediate		Preservation Issues		
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
Determine if properties <i>should</i> remain in an affordable housing program	The AFWG expressed concern that units would be lost to the affordable portfolio and not replaced.	N/A	N/A	Referral to NAHMA's Regulatory Affairs Committee.
Offer incentives to owners to remove excess inventory and extremely dilapidated housing	Approving relief for exit taxes / negative basis could be a solutions	NAHMA has supported legislation to provide exit tax relief for owners to sell their properties to buyers that agree to maintain affordability (ex. S.1318 the Affordable Housing Preservation Act of 2007 & H.R. 1491 the Affordable Housing Preservation Tax Relief Act of 2007).	N/A	Referral to NAHMA's Federal Government Affairs Committee.
*Regional specialization to help agencies and government programs *Reward creative States that support affordable housing *More LIHTC allocations? *Other Incentives?	These ideas may have merit, but not as an immediate need for action required for Category 1 priorities. What might the other incentives be?	N/A	N/A	Referral to NAHMA's Tax Credit Committee.

Assigned Priority for Budget Scoring: Category 2 Intermediate		Housing Alternatives		
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
Make it easier to opt-out of programs through contract buy-out offers or by other means	AFWG members expressed a preference for transferring the subsidy rather than risk losing affordable units.	N/A	N/A	Referred to NAHMA's Regulatory Affairs Committee.
Privatize Public Housing? *Rental Assistance Demonstration (RAD) Program	RAD will allow a limited number of PHAs to leverage private capital to revitalize public housing. It also includes components to preserve RAP, Rent Supplement and Mod Rehab properties.	NAHMA has supported RAD as a preservation tool for the orphan programs—RAP, Rent Supp and Mod Rehab.	GAO interviewed NAHMA about members' experiences with conversion of RAP, Rent Supp & Mod Rehab contracts to project-based vouchers under RAD. NAHMA sent written feedback to GAO on 9/16/13. *GAO acknowledged NAHMA in its report, "HUD Rental Assistance Demonstration: Information on Initial Conversions to Project-Based Vouchers," (GAO-14-402), 4/24/14. NAHMA's testimony to the House & Senate Appropriations	Referred to NAHMA's Federal Government Affairs Committee.

			<p>Committees supported HUD's FY 15 Budget request to expand RAD conversions of Mod Rehab, RAP & Rent Supp to project-based section 8 contracts (as opposed to just PBVs).</p> <p>See NAHMA's grassroots advocacy webpage for public testimony and industry letters.</p>	
<p>Assigned Priority for Budget Scoring: Unfamiliar Idea, Needs More Research</p>		<p>Housing Alternatives</p>		
Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
<p>United Kingdom housing model</p>	<p>Gives tenants a "right to buy" their homes at a discount after 5 years of tenancy, voluntary accreditation schemes for landlords and leasing agents. See: www.communities.gov.uk/housing/</p>	<p>N/A</p>	<p>N/A</p>	<p>Referral to Federal Government Affairs Committee.</p>

Assigned Priority for Budget Scoring:
Outright Dismissal

Owner Offerings

Policy Recommendations	Policy Considerations	Official NAHMA Policy Position	Notable Actions	Next steps
<p>Non-renewal of contracts with bad owners / properties</p>	<p>NAHMA is an advocate for professional standards for affordable housing providers. Our mission includes supporting public policies which promote the development and preservation of quality affordable housing.</p> <p>Federal agencies have existing authority to sanction bad owners and properties. NAHMA opted not to define further criteria, as the AFWG was focused primarily on sensible policy ideas which would result in budget savings.</p>	<p>This idea will not be considered as an alternative future.</p>	<p>N/A</p>	<p>None. The AFWG disposed of this policy.</p>
<p>Reduced AAF / OCAF increases for other trade-offs</p>	<p>Too much potential to cash starve properties</p>	<p>Won't be considered as an alternative future.</p>	<p>N/A</p>	<p>None. The AFWG disposed of this idea.</p>